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TECHNICAL COOPERATION IN THE FIELD OF COMMODITIES

Identification of areas in which technical cooperation should be strengthened

Report by the UNCTAD secretariat

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INTRODUCTION

1. The technical cooperation activities of UNCTAD held an important place in the deliberations of UNCTAD VIII. The Cartagena Commitment calls for the strengthening of technical cooperation and its expansion within available resources, as well as for its being "integrated into all relevant areas of UNCTAD's work, taking into account the need for effective interaction among the main functions of UNCTAD and the need for continued effective coordination with other technical cooperation agencies of the United Nations system. 1/ It also makes specific reference to increased technical cooperation in the commodities field in such areas as support for appropriate national commodity policies (para. 199), mechanisms to manage price and other commodity-related risks (para. 205) and technologies to cope with commodity-specific environmental problems (para. 208(d)). In particular, UNCTAD is mandated to undertake technical cooperation projects and programmes on diversification, processing, marketing and distribution "... particularly for human resources development" (para. 211) and with regard to the link between commodity policies, use and management of natural resources and sustainable development (para. 214).

2. In a sense, therefore, the Conference had already made a first identification of areas where technical cooperation should be strengthened. Building on that, as well as on UNCTAD's experience in technical cooperation in the field of commodities, this paper provides a more detailed discussion of the areas that could benefit from strengthened technical cooperation. This is done in Chapter II below. As a background for that discussion, Chapter I reviews UNCTAD's past and ongoing experiences in the development and implementation of technical cooperation activities in the commodities field. Chapter III explores the question of cooperation and financing modalities.

I. Review of UNCTAD's past and ongoing technical cooperation activities in the commodities field

3. The extent of UNCTAD technical cooperation in the area of commodities in the last few years has been small relative to its investment in commodity research, policy analysis and support for international commodity cooperation. 2/ The broad-based objectives of the programme aim at improving the capacity of developing countries: to formulate and implement policies for the export and, in some cases, the procurement of commodities; to adopt diversification programmes; to promote the processing of commodities; to enhance the contribution of commodity production and trade to economic development; to achieve sustainable development of the commodity sector; to increase their participation in international marketing systems for commodities; to obtain and utilize the information necessary for making investment and marketing decisions; and to improve their ability to participate effectively in international negotiations on commodities.

4. So as to promote the attainment of these objectives, the UNCTAD secretariat has carried out and disseminated studies on such issues as analyses of the evolution of the various commodity markets and of the links between market conditions and the intensity of resource use in the commodity sector. It has promoted the exchange of experience on, for example, liberalization of export marketing systems and the respective roles of the State and of enterprises in the export of commodities. It has studied the

implications for export policies of utilizing commodity exchanges and other mechanisms for international trade and the impact of changes in international marketing systems on national export and import policies, with a view to providing advice and supporting human resource development in these areas. These activities are briefly described below under six rubrics: A. Diversification and processing; B. Commercialization; C. Mineral and resource-based development strategies; D. Sustainable development; E. Commodity information services; F. Food commodities trading and policies.

A. Diversification and processing 3/

5. A project to promote local processing in highly commodity-dependent developing countries was elaborated - based on a proposal made by Japan at UNCTAD VII - after an assessment of needs. It is financed by the Government of Japan and the United Nations Development Programme. This initiative, started in 1992, involves all the relevant international organizations (UNCTAD, Food and Agriculture Organization of the United Nations (FAO), United Nations Industrial Development Organization (UNIDO), World Bank and the relevant regional development banks), as well as three independent experts (one Japanese, one representative of the International Chamber of Commerce and one commodity expert from a developing country), who serve as standing members of the core group involved in project execution. A first meeting of this group was held in Geneva in January 1992 to review the modalities of implementation. The agencies are cooperating in providing material, in suggesting consultants and in reviewing and commenting on project reports.

6. The project is designed to assess viable proposals, government policy implications and related technical assistance needs by examining the commodity sector of each beneficiary country in terms of its vertical diversification potential, by evaluating the technical viability of potential investment projects and by elaborating project proposals, with emphasis on opportunities to market the output locally, regionally and internationally. In this assessment, current projects, both private and those sponsored by aid programmes of multilateral and bilateral agencies, are taken into account and scrutinized for any duplication of effort. Previous attempts to increase the processing of commodities are reviewed to assess why problems arose. These stages are followed by a round-table meeting in the country of the core inter-agency group with the local government and private sector. Consideration is given to follow-up actions including arrangements for finding investors and for technical assistance as well as identification of appropriate government policies and other supportive measures. In its pilot phase, the project has concentrated on two commodity-dependent developing countries with limited processing activities: Cameroon and Solomon Islands. The pilot project is expected to be completed in the first half of 1994.

B. Commercialization 4/

7. For commodity exporters/importers at the operational level, a computer-based training package on commodity price risk management, covering use of futures and options, has been available since 1992 as part of UNCTAD's "TRAINFORTRADE" programme, with the support of the Governments of France, Luxembourg and Switzerland and the United Nations Development Programme. It covers coffee, cocoa, cotton, sugar and palm oil. Seminars have been held based on this package for countries in Francophone Africa, South-East Asia and

Central America. In response to comments and requests, a French language package on new aspects of physical commodity trade covering, inter alia, transport, logistics, contract terms and execution, export finance, price analysis and information has been developed for cocoa and coffee. This course was organized in June 1993 at the Ecole Internationale de Bordeaux where selected francophone countries participated with the support of the Agence de coopération culturelle et technique of France. The finalization of this material is in progress.

8. Presentation of these courses takes place in a flexible manner tailored to the specific needs of the audience. Thus emphasis varies from physical trade or negotiation of contract terms to the function of futures and options markets. The material is flexible enough to cover market strategies of special interest to traders from small companies.

C. Mineral and resource-based development strategies 5/

9. Technical cooperation activities in the field of minerals have taken place within a project examining the role of the minerals sector in the development process (MINDEV). This project, which was initiated in 1988 with the support of the Governments of Norway and Sweden, has as a general objective to assist developing countries in the planning of mineral sector programmes. More specifically, it aims at identifying policies and instruments which would further the integration of this sector into the economy as a whole and thus promote a broader-based and eventually self-sustaining process of development.

10. Since 1989, research within the project has included statistical analyses of some 40 developing mineral economies, case studies of five individual countries (Dominican Republic, Indonesia, Morocco, Peru and Zimbabwe) and a comparative study on Australia, Chile and Sri Lanka. Technical assistance has included the organization and substantive backstopping of three regional seminars (for developing America, Asia and Africa, respectively) on the theme of the mineral sector and the development process. These seminars have brought together mineral-sector officials from different countries (about 35 developing countries have been involved), experts from international and regional bodies concerned with mineral-sector and economic-development issues, and representatives from the mineral industry of developed countries. Topics covered have included: mineral-resource assessment and exploration; public and private sector roles in mineral-sector activities; the promotion of investment in mineral resources; small-scale and artisanal mining issues; environmental policy for mining and processing; regional cooperation; and the role of the international community.

D. Sustainable development 6/

11. Over the past few years UNCTAD has expanded considerably its efforts to foster sustainable development in the commodities field. The initial activity in this context was the preparation of four sectoral studies (covering respectively agriculture, forestry, fisheries and mining) on the linkages between market conditions and the intensity of resource use. These were presented and discussed at a round-table meeting in January 1992, which was attended by participants from developed and developing countries. These activities were largely financed by the Government of the Netherlands.

12. Ongoing activities include a project on better natural-resource management in the commodity sector, aimed at establishing a broad and detailed basis for identifying concrete policy proposals which would ensure that production and trade were consistent with better management of natural resources and protection of the environment.

13. Case studies of coffee, cocoa, rice and bauxite are currently being undertaken, with the support of the Netherlands and Norway. The experiences of selected countries are studied in respect of environmental effects of producing and processing the four commodities under different policy frameworks (coffee: Brazil, Cameroon, Costa Rica, Côte d'Ivoire, El Salvador and Indonesia; cocoa: Brazil, Cameroon, Côte d'Ivoire, Ghana, Indonesia and Nigeria; rice: China, Côte d'Ivoire, Indonesia, Philippines and Thailand; bauxite/aluminium: Brazil and Jamaica). Further studies are planned and will be used as background material for documentation prepared for international seminars with strong developing countries participation.

14. Under the UNDP/UNCTAD Regional Project of the Asian and Pacific Governments on Institutional Capacities for Multilateral Trade, which was approved in mid-1993, studies are being undertaken at the regional and country levels for improved natural-resource management in export-oriented commodity sectors (e.g. (i) environmental effects of commodity production; (ii) natural-resource management policies including the reflection of environmental and national resource costs in commodity prices; (iii) inventory of environmental legislation and practices in the mining and metal industry; (iv) environmental issues in the bauxite/aluminium industry in Indonesia; and (v) links between policies aimed at foreign exchange generation and natural resource management). Initial technical cooperation activities in this context are expected to cover two least-developed island countries.

E. Commodity information services

15. Another major area of technical cooperation in the commodities field in the recent past has been the development of a Microcomputer-based Commodity Information and Analysis System (MICAS) with the financial support of the Governments of Italy, Netherlands and Norway, the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Reuters organization.

16. MICAS is intended to provide developing country Governments and the enterprise sector with an independent capability to analyse the domestic and international situation for commodities and derived products, to plan domestic and export-oriented marketing strategies, to evaluate the role of commodities in national economies and assist in the formulation of investment strategies and vertical and horizontal diversification. The system covers both agricultural and mineral commodities, including the energy commodities, and will eventually cover all internationally traded commodities at the initial processing stages.

17. A simulation of the system has been demonstrated to about 50 countries during missions to Asia, Africa and Latin America. It has also been demonstrated to government representatives at intergovernmental meetings in Geneva. The first operational version of the system is now nearing completion and pilot software has been installed in two (Philippines and Malaysia) of the four selected core countries in Asia. Installation of the system in the other

two core countries (Indonesia and Thailand) will be completed before the end of 1993; it is hoped that the process will begin in Latin America before the end of 1993. Installation in Africa is planned for 1994.

F. Food commodities trading and policies

18. UNCTAD has been providing technical assistance to food-importing developing countries since the early 1980s. The activities were extended in 1986 under the heading of UNCTAD's Service on Import Management and Policies for Food Commodities with the support of the Governments of Italy and Switzerland and contributions from Thailand and some of the recipient countries. The Service is available to Governments, parastatal organizations, chambers of commerce and the private sector of food-importing developing countries. It offers advice and analysis concerning: (a) international procurement of food commodities, including grains and rice, sugar and vegetable oils and cakes (e.g. market information, procurement planning, tender terms and procedures and contract design); (b) contract negotiation; (c) import policies, including evaluation of governmental food import systems and effects of liberalization of food imports and pricing of food commodities; and (d) alternative sources of supplies. It finances fellowships and training with commodity trading corporations, grain boards and inspection companies. The Service also organizes seminars/workshops on international food trading and trade finance.

II. Areas in which technical cooperation in the field of commodities should be strengthened

19. In addition to the references to technical cooperation in the Cartagena Commitment, orientations on areas in which technical cooperation in the commodities field could be strengthened can be derived from the discussions of the Standing Committee on Commodities at its first session.

20. On that occasion, the Standing Committee considered problems faced by depressed commodity markets and the limited success of developing countries' efforts towards diversification of their productive structures. Among the areas in which concrete action was required at the national and international level, the Committee identified the need to: reduce distortions affecting supply and demand; improve transparency; remove trade barriers affecting primary commodities; optimize development through increased productivity as well as diversification of production and exports; and ensure environmentally sound management of natural resources with a view to attaining sustainable development.

21. The substantive areas of the Work Programme adopted by the Standing Committee on Commodities follow closely the relevant provisions of the Cartagena Commitment (see para. 1) as well as the above-mentioned identification of objectives. Areas in which activities are already underway or planned are discussed below; those where further initiatives might be pursued are identified.

Diversification and processing 7/

22. The project discussed in paragraphs 5-6 above is intended to encourage the participation of private investors, both domestic and foreign, in

processing activities through direct involvement in the development and implementation of projects and through advice to Governments on appropriate policies and measures. Preliminary indications show that the project coordinating mechanism could profitably be used to help other highly commodity-dependent developing countries to promote diversification in the commodity sector. Further requests have been received from developing countries to undertake a similar exercise for their economies. Subject to the outcome of the pilot project (see para. 6), this is a line of technical cooperation work that might profitably be expanded in future.

23. It is proposed to organize a series of workshops, focusing on one or two commodities at a time (mainly commodities which are being promoted for horizontal diversification), in which government officials and private-sector representatives from up to 12 countries would present and exchange their policy experiences. Each workshop would include countries where diversification into these commodities had been relatively successful. A first workshop is under preparation with support from Australia and Israel. It focuses on horticultural products and cotton in East Africa and draws on first-hand experience from Israel and Kenya. However, the finance available is not sufficient to cover all the expenses of the workshop and further funds are being sought.

24. Subject to the results of the first workshop, this is an area of technical cooperation where renewed efforts might be made in future.

Commercialization 8/

25. Following a needs assessment phase, which revealed a high level of interest among developing country Governments in the use of market-based risk management instruments, UNCTAD's technical cooperation in the area of commodity marketing could increase significantly. Commodity markets are growing more and more complicated. The role of non-traditional participants such as commercial banks has expanded and there is greater emphasis on risk management. In many countries liberalization of export marketing has come about. The new market players are relatively small and inexperienced in international marketing and marketing techniques. As a result, they frequently fail to avail themselves of opportunities provided by market instruments to increase their benefits or reduce their risks.

26. Efforts are underway to develop a comprehensive package of activities to address the need for training and human resource development in this area by focusing on:

(a) Commodity exporters/importers at the operational level who need detailed knowledge of a range of marketing techniques, including risk management, in order to be able to execute trade deals efficiently and to provide proper advice on marketing opportunities;

(b) Senior executives of companies/institutions engaged in commodity trading who need to be able to draw up international trade strategies with proper control structures to limit financial risks, including those associated with the use of risk management instruments; and

(c) Policy-makers in Governments, including Central Banks and Ministries of Finance, Trade and Development Planning, who need to understand the uses that can be made of various instruments in the area of international trade, including risk management instruments, and, in this connection, ensure the necessary conditions for deriving benefit from these instruments.

27. The lack of training for executives of commodity-trading companies and institutions in proper control structures for the use of risk-management instruments is evident world-wide. It has resulted in serious problems and large losses, even in companies and trade houses in developed countries. This is one area which an UNCTAD Secretary-General's Group of Experts on Commodity Exchanges 9/ has identified as crucial for increasing the appropriate use of futures markets and risk management by buyers and sellers of commodities. Finance is needed to develop a training package, based on existing materials from the New York Mercantile Exchange and Marché à terme international de France (MATIF). Course delivery could be self-financing in a number of countries, although in the case of the least developed countries and of African countries financial support would be required.

28. Many policy-makers in developing countries and new market-oriented economies in Eastern Europe have experienced problems in assessing international commodity markets and, in particular, in using modern marketing instruments. This has hampered decisions on how best to formulate policies in the areas of support services and regulation. Systematic technical cooperation activities on the uses of risk management instruments and other modern marketing methods in international commodity trade would be beneficial in addressing this need. This was an area stressed by the Group of Experts as being vital to many countries and one which could probably be best pursued through international institutions, particularly UNCTAD and the World Bank. 10/ Strengthened activities in this area will focus on the provision of technical and advisory assistance to countries on the evaluation of modern international marketing methods and mechanisms (including risk management), and on the formulation and implementation of national regulations and policies for the use thereof. UNCTAD has scheduled a first workshop for African countries highly dependent on coffee exports for late November 1993, with the support of the Government of the Netherlands. Further workshops have been envisaged for implementation once financing has been secured.

29. In addition to the organization of training workshops, a number of related activities are planned, including support for commodities exchanges in developing countries. A first project in this area, on the possible development of new contracts, exchanges and forms of cooperation in South-East Asia, started in mid-1993 with UNDP financial support and in cooperation with the World Bank.

30. The UNCTAD secretariat has received offers of support for technical cooperation in commercialization activities. These include possible financial support from the Common Fund for Commodities for activities addressed primarily to the least developed countries at the levels of traders and Governments. Also, many private firms have offered in-kind assistance in reviewing and commenting on training course material, and/or in providing an expert to participate in workshops held in developing countries. Several commodity exchanges have volunteered to assist in elaborating new course material, particularly for commodities not yet included (such as metals and

petroleum) or to host workshops (Kuala Lumpur Commodity Exchange, Malaysia, Bolsa de Mercadorias y Futuros, Brazil and Coffee Sugar & Cocoa Exchange, United States of America). Particularly in Asia and Latin America, many potential participants are willing to pay to attend workshops. One major bottleneck in this area is the lack of sufficient extra-budgetary resources available to the UNCTAD secretariat to develop, update and verify course material.

Mineral and resource-based development strategies 11/

31. Work under the MINDEV project has highlighted the need to link the issue of management of mineral resources to macroeconomic management of mineral resource rents and sustainability of development patterns, including from an environmental viewpoint. Planned activities under the project include an international conference on "Development, Environment and Mining", to be held during 1994 in Washington D.C. Sponsored by UNCTAD together with the United Nations Environment Programme, the World Bank and the International Council on Metals and the Environment, the Conference will address the following topics: management of mineral economies; natural-resource information policies; public and private sector roles; environmental liability and site rehabilitation; mining investments and returns; government roles in environmental protection; environmental management in the mining industry; technological directions; and mining and sustainable development. Subsequently, the secretariat plans to organize an interregional seminar which would debate the results of the entire project so far. This debate would help to delineate the scope and content of UNCTAD's future technical assistance to developing countries in this field under a second phase of the project, which will be action- and country-oriented with the emphasis on providing advice and support for policy implementation. Possible areas for action are economic planning, fiscal policy, environmental issues and computer systems for the mineral sector.

32. Technical cooperation can also be fruitfully expanded in the area of agricultural commodity-based development. This would draw on available work on: diversification; the structure of agricultural commodity production, trade and commercialization; and sustainable development in the agricultural area. It would also bring in issues of economic planning and macroeconomic management of the kind addressed in the MINDEV project, with a view to offering advice and support to interested Governments for the design and implementation of agricultural-commodity-based strategies for development. Special attention might be placed on agricultural raw materials, notably tropical timber, cotton and natural rubber, as these give rise to questions of linkages comparable to those in the mineral area. This focus would make maximum use of the experience of the MINDEV project. The question of domestic pricing and marketing arrangements is particularly important for agricultural commodities in general, and would need to be specifically addressed.

Sustainable development 12/

33. Under this heading, a first area of technical cooperation in need of strengthening involves expanding the utilization and trade of environmentally preferable products. The objective is to assist developing countries in benefiting from enhanced recycling programmes and in increasing their export earnings through expanding the sustainable production and export of natural

products which are environmentally preferable from the point of view of both the producing and the consuming countries. More specifically, technical cooperation would assist developing countries in identifying which natural products with the potential for sustainable production and export can be substituted, on environmental grounds, for currently used items. Assistance is also required in materials' reclamation and recycling.

34. Under the Regional Project of the Asian and Pacific Governments on Institutional Capacities for Multilateral Trade, a pilot study focusing on the Philippines is planned. It will examine the potential for expanding production and trade of environmentally-preferable products. Further work includes: (a) the preparation of a compendium of products claimed to be environmentally preferable, including natural products with good biodegradability and recyclability qualities, as well as products made of agricultural, forestry and fisheries waste and other by-products which currently cause environmental problems; and (b) assistance to developing countries to better assess the potential benefits and constraints offered by enhanced recycling.

35. A second area concerns technical cooperation on analysing the internalization of environmental costs and resource values. The purpose is to assess the economic and institutional implications of such internalization at the international and national levels, both generally and with regard to particular commodities. Such an assessment would be of use in the formulation and implementation of concrete proposals. A conceptual study financed by the Government of Norway discusses the practical needs for including environmental costs in prices as well as the inherent complications and specific problems; it is nearing completion. A further objective is to provide assistance to developing countries, including Governments, the private sector and non-governmental organizations working together, for devising and implementing economic instruments and policies for internalizing externalities, at the national and international levels, taking into account the specific concerns and requirements in respect of individual commodities.

36. A third area involves the implications of conservation and sustainable use of biological resources with respect to development and trade. A number of case studies will be undertaken as a first step in contributing to the design and implementation of economic policies and measures which would ensure that developing countries attain economic benefits from the full use of the Biological Diversity Convention. Particular attention will be given to the need for both governmental and intergovernmental policy action to remove the economic policy distortions responsible for sending wrong market signals to the economy and causing biodiversity loss.

Commodity information services

37. Given the increasing number of countries which wish to receive the MICAS software and to commence the information collection process, MICAS should be consolidated in the three regions that have been identified. In order to ensure economic viability, the involvement of the enterprise sector is considered vital and discussions concerning possible cooperative arrangements with a range of potential users of MICAS have taken place.

Food commodities trading and policies

38. The UNCTAD Service on Import Management and Policies for Food Commodities (see para. 19), is expected to continue over the next three to four years with emphasis on Africa and private-sector involvement. At the same time, the success of the Service has recently led to the initiation of a UNDP/UNCTAD preparatory assistance project for the Commonwealth of Independent States (CIS), the Baltic States and Albania. The full project is intended to help restructure, and in many cases create, foreign trading systems for key export and import commodities, such as wheat, corn, sugar, rice and cotton and certain ferrous and non-ferrous metals. It will also help new buyers and sellers become more familiar with the main commercial, technical and financial aspects of international commodity trading.

39. The views of the Standing Committee on the various proposals outlined above would be appreciated.

III. Resource mobilization and modalities for international cooperation

40. Any strengthening of technical cooperation activities in the commodities field raises issues concerning resources and modalities for international cooperation. As indicated above, the technical cooperation activities of UNCTAD in the area of Commodities have benefited from support from the Governments of Australia, France, Israel, Italy, Japan, Luxembourg, the Netherlands, Norway, Sweden, Switzerland and Thailand and from UNDP. In addition, the secretariat has sought the contribution of, or developed joint technical cooperation programmes with, relevant international organizations. These include, among others, the World Bank, FAO, UNIDO, International Trade Centre, Economic and Social Council for Asia and the Pacific, Economic Commission for Latin America and the Caribbean and the Economic Commission for Africa; the secretariats of the European Community, the Africa-Caribbean-Pacific countries (ACP), and the Common Fund for Commodities; and international commodities bodies, such as the International Tropical Timber Organization, the International Natural Rubber Organization, the International Cocoa Organization, the International Wheat Council, the International Pepper Community and the International Sugar Organization.

41. Notwithstanding this support, UNCTAD's technical cooperation work in commodities remains highly dependent on extra budgetary resources. The financial stringency confronting UNDP, the main traditional source of funds in the past is a strong factor in this squeeze. The total amount of UNCTAD executed projects funded by UNDP declined from US$ 17.5 million in 1990 to US$ 12 million in 1992, while projects financed from trust funds increased from US$ 3.6 million to US$ 7.0 million over the same period. Nevertheless, it is hoped that UNCTAD's total technical assistance delivery will reach about US$ 20 million in 1993, that is, approximately the same level as in 1992.

42. The dramatic decline in UNDP funding was very largely due to the resource problems facing it in regard to regional programmes, especially the African programme; UNCTAD's delivery of UNDP regional projects in Africa amounted to US$ 6.4 million in 1990, then declined to US$ 1.4 million in 1992 and is not likely to improve in the near future.

43. The problem is aggravated by the fact that technical cooperation in the field of commodities is normally channelled through inter-country projects, as most work in this sector requires action at the international level. It was primarily this type of project that has been hardest hit by the decision of UNDP's Governing Council to reduce the share of regional programmes in the 5th UNDP programming cycle (1992-1996).

44. This situation calls for the exploration of new initiatives to identify additional sources of financial and technical support for UNCTAD-executed commodities programmes. Among such initiatives, the Standing Committee may wish to consider calling on donor Governments to make voluntary contributions earmarked for technical cooperation in commodities in the areas indicated in Chapter II (all of which require additional support), and others that the Standing Committee may identify. While the secretariat is bound to continue relying on the support of its traditional donors, such a call should encourage the participation of all countries, developed and developing, in a position to do so to provide financial and/or technical support for projects in the commodities field, including that from non-traditional sources.

45. There is no information, treating the technical cooperation needs of developing countries and countries in transition in the area of commodities at the international level. It is thus difficult to ascertain whether action taken by all concerned organizations is fully responsive to the needs. Accordingly, the Standing Committee may wish to request that the secretariat undertake a survey of technical cooperation requirements of member States in the commodities field and to report thereon at the third session of the Standing Committee. This report could also include information on current technical cooperation programmes of the international community in the area of commodities.

Notes

1/ "A New Partnership for Development: the Cartagena Commitment" (para. 61).

2/ Extra-budgetary expenditures incurred under projects backstopped by the Commodities Division of the UNCTAD secretariat amounted to $894,000, $1,044,000 and $682,000 in 1990, 1991 and 1992, respectively, that is about 6 per cent of UNCTAD's total technical cooperation programme.

3/ C.f. "Analysis of national experiences in horizontal and vertical diversification including the possibility of crop substitution" (TD/B/CN.1/14);

4/ C.f. "Analysis of ways of improving the efficiency and use of existing mechanisms for the management of risks arising from commodity price fluctuations" (TD/B/CN.1/10).

5/ C.f. "Fostering sustainable development in the commodities field: Analysis of national experiences in the management of natural resources with regard to commodity production: Mineral resources and sustainable development" (TD/B/CN.1/16).

6/ C.f. "Fostering sustainable development in the commodities field - Experiences concerning environmental effects of commodity production and processing: Synthesis of case studies on cocoa, coffee and rice (TD/B/CN.1/15).

7/ C.f. "Analysis of national experiences in horizontal and vertical diversification, including crop substitution" (TD/B/CN.1/14).

8/ C.f. "Analysis of ways of improving the efficiency and use of existing mechanisms for the management of risks arising from commodity price fluctuations" (TD/B/CN.1/10).

9/ See footnote 4. Ibid. paragraph 3.

10/ UNCTAD coordinates work in this area with the International Trade Division of the World Bank.

11/ C.f. "Fostering sustainable development in the commodities field: Analysis of national experiences in the management of natural resources with regard to commodity production: Mineral resources and sustainable development" (TD/B/CN.1/..).

12/ C.f. "Fostering sustainable development in the commodity field - Experiences concerning environmental effects of commodity production and processing: Synthesis of case studies on cocoa, coffee and rice (TD/B/CN.1/15).